

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

NOMADIX, INC.,) Case No. CV 09-08441 DDP (VBKx)
)
Plaintiff,) **ORDER DENYING DEFENDANT WAYPORT,**
) **INC.'S MOTION FOR LEAVE TO AMEND**
v.) **ANSWER AND COUNTERCLAIMS**
)
HEWLETT-PACKARD COMPANY, a) [Docket No. 507]
Delaware corporation;)
WAYPORT, INC., a Delaware)
corporation; IBahn)
CORPORATION, a Delaware)
corporation; et al.)
)
Defendants.)
)
_____)

Presently before the court is Defendant Wayport, Inc.'s Motion for Leave to Amend Answer and Counterclaims to Clarify Laches Defense and Add Related Estoppel Defense ("Motion"). Having reviewed the parties' moving papers and heard oral argument, the court denies the Motion and adopts the following Order.

First, the court finds it unnecessary for Wayport to amend its Answer and Counterclaims ("Answer") to clarify its laches defense.¹

¹ "Two elements underlie the defense of laches: (a) the patentee's delay in bringing suit was unreasonable and inexcusable, and (b) the alleged infringer suffered material prejudice
(continued...)

1 In its Answer, Wayport contends that "Nomadix is barred from
2 recovering pre-filing damages with respect to at least the '892 and
3 '894 patents under the doctrine of laches." (Answer at ¶ 330
4 (emphasis added); see also id. (alleging that "Nomadix has
5 unreasonably and inexcusably delayed in bringing suit under at
6 least the '892 and '894 patents" (emphasis added)).) By asserting
7 a laches defense as to "at least" two of the patents at issue,
8 Wayport has adequately alleged the defense as to the other patents
9 as well. The court therefore deems that the defense applies to all
10 patents at issue.

11 Second, the court concludes that Wayport has not shown good
12 cause to modify the court's scheduling order and amend its Answer
13 to add an equitable estoppel defense.² See Fed. R. Civ. Proc. §
14 16(b) (requiring good cause to modify a scheduling order); Wells
15 Fargo Bank, N.A. v. Am. Nat'l Ins. Co., No. CV 09-01840, 2010 WL
16 3632787, at *2 (C.D. Cal. Sept. 13, 2010) ("A party may establish
17 good cause by demonstrating that it was unable to comply with the
18 scheduling order's deadlines due to matters that could not have
19 reasonably been foreseen at the time of the issuance of the
20 scheduling order, and that it was diligent in seeking an
21 amendment." (internal quotation marks omitted)).

22
23 ¹(...continued)
24 attributable to the delay." A.C. Auckerman Co. v. R.L. Chaides
Constr. Co., 960 F.2d 1020, 1028 (Fed. Cir. 1992).

25 ² The elements of equitable estoppel are: 1) the "patentee,
26 through misleading conduct, leads the alleged infringer to
27 reasonably infer that the patentee does not intend to enforce its
28 patent"; 2) "the alleged infringer relies on that conduct"; and 3)
due to this reliance, "the alleged infringer will be materially
prejudiced if the patentee is allowed to proceed with its claim."
Auckerman, 960 F.2d at 1028.

Wayport argues that it has good cause because it recently learned facts, not reasonably foreseen, that support an equitable estoppel defense. In particular, Nomadix allegedly produced "emails demonstrating that Nomadix orchestrated meetings with Wayport in 2005 in the hopes of entering a business relationship, without raising any of the asserted patents." (Mot. at 3.) Similarly, a 2005 Nomadix email allegedly informed Wayport that an earlier Nomadix letter only requested a "self-assessment" as to patent infringement, and "should not be construed as a plan" to press an infringement claim. (Reply at 5.) Thus, Wayport now contends that it reasonably relied on Nomadix's misleading conduct, indicating that Nomadix did not intend to enforce its patents.³

The court finds, however, that Wayport could have reasonably foreseen this equitable estoppel defense. Wayport was, of course, party to any past misleading conduct by Nomadix that induced reliance by Wayport. As alleged here, Wayport was the recipient of Nomadix's emails proposing business relations and suggesting that Nomadix did not intend to sue. Wayport therefore already had these facts in its possession. Wayport argues that it "lost" possession of these facts, because its employees at the time no longer work for Wayport. But Wayport still knew, from Nomadix's 2004 letter and Wayport's own laches defense, that its case would involve facts

³ Wayport also points to certain internal Nomadix documents, such as: 1) a 2005 email indicating that a former Nomadix vice president kept a "Wayport timeline"; and 2) a 2001 email "indicating that Nomadix discussed whether Wayport infringed Nomadix's patents and analyzed how to test Wayport's devices for infringement." (Mot. at 2-3.) However, these internal documents are immaterial to equitable estoppel, since they involve no misleading conduct towards Wayport. They may be relevant to laches, which Wayport has already sufficiently pled, as discussed.

1 from this time period. The court therefore finds that Wayport had
2 an affirmative obligation to timely investigate these facts with
3 its own former employees, if it wanted to pursue such a dispositive
4 defense as equitable estoppel.⁴ Wayport apparently failed to do
5 so, and is now too late - on the eve of the December 2, 2011 close
6 of fact discovery, and more than a year after the June 21, 2010
7 deadline to amend.⁵

8 For all these reasons, the court DENIES Wayport's Motion to
9 Amend.

10 IT IS SO ORDERED.

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13 Dated: December 7, 2011


DEAN D. PREGERSON
United States District Judge

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19 ⁴ Wayport also claims that it recently learned of lost
20 evidence, demonstrating prejudice from Nomadix's alleged delay and
21 misleading conduct. (Mot. at 7-10.) However, prejudice is an
22 element of both laches and equitable estoppel. Wayport reasonably
23 pled laches from the start, presumably inferring prejudice from the
24 alleged delay. Wayport therefore cannot fairly claim that a lack
25 of evidence of prejudice precluded it from pleading equitable
26 estoppel at the same time.

27 ⁵ Indeed, the court also denied Nomadix's recent Motion to
28 Amend its Complaint to plead willful infringement against Wayport.
Notably, both willful infringement and equitable estoppel would
have involved assessing Wayport's actions and intent from long ago
- i.e. whether Wayport intentionally infringed following, or
instead reasonably relied on, early communications from Nomadix.
In successfully opposing Nomadix's Motion, Wayport argued
persuasively that it was too late in the day for such a significant
amendment. (Docket No. 532.) The same can be said here. It would
therefore be inequitable to grant Wayport leave to amend
immediately after denying Nomadix's similar request.